

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Natick Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: November 20, 2015

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments will be paid in equal installments on July 1 and December 31 of each fiscal year. The schedule is effective in FY16 (since the FY16 appropriation was maintained from the prior schedule) and is acceptable under Chapter 32.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



SECTION 2: Valuation Results for the Town of Natick Contributory Retirement System

CHART 16

Funding Schedule – 2030 Schedule, amortization payments initially calculated to increase 4.00% per year with a 7.00% cap on the total plan cost

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of Remaining Liability	(4) Total Plan Cost: (2) + (3)	(5) Total Unfunded Actuarial Accrued Liability	(6) Total Plan Cost % Increase
2016	\$2,221,263	\$5,828,418	\$8,049,681	\$80,103,329	--
2017	2,329,685	6,283,474	8,613,159	81,846,413	7.00%
2018	2,443,380	6,772,700	9,216,080	81,900,597	7.00%
2019	2,562,604	7,298,601	9,861,206	82,462,416	7.00%
2020	2,687,625	7,863,865	10,551,490	81,119,883	7.00%
2021	2,818,724	8,471,371	11,290,094	78,882,923	7.00%
2022	2,956,195	9,124,206	12,080,401	75,830,995	7.00%
2023	3,100,347	9,825,682	12,926,029	71,854,454	7.00%
2024	3,251,504	10,579,347	13,830,851	66,870,188	7.00%
2025	3,410,006	11,175,095	14,585,101	60,716,429	5.45%
2026	3,576,207	11,622,099	15,198,306	53,472,183	4.20%
2027	3,750,481	12,086,983	15,837,464	45,212,700	4.20%
2028	3,933,219	12,570,462	16,503,681	35,842,959	4.20%
2029	4,124,829	13,073,281	17,198,110	25,260,060	4.20%
2030	4,325,744	13,596,212	17,921,956	13,352,599	4.20%

Notes: Recommended contributions are assumed to be paid July 1 and December 31.

Item (2) reflects 4.50% growth in payroll and 0.15% adjustment to total normal cost to reflect the effects of mortality improvement due to the generational mortality assumption.

Assumes contribution of budgeted amount for fiscal year 2016.

Amortization payments of remaining liability initially calculated to increase at 4.00% per year.

Projected normal cost does not reflect the impact of pension reform for future hires.

Schedule reflects deferred investment losses.